Investment criteria of Public Financial Institutions

1488. SHRI DIPEN GHOSH: Will the Minister of FINANCE be pleased to state:

(a) what are the criteria laid down by the public financial institutions for investment in various States;

(b) what are the basis for laying down such criteria;

(c) whether Government propose to change the said criteria; and

(d) if so, what are the details thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b) The public financial institutions extend assistance to commercially viable and technologically feasible projects according to national priorities. The financial institutions do not make state-wise allocation of funds. The flow of assistance to any State depends on the level of entrepreneurial activity in the State. The entrepreneurial activity in turn, is dependent upon a number of factors such as availability of infrastructural facility, adequate availability of raw materials, proximity to market, promotional work of the State Government etc. The ability of the financial institutions to influence the locational decisions of entrepreneurs is limited by these factors though, in order to promote industrial development in the industrially backward areas, certain incentives such as concessional finance and liberal norms of debt-equity ratio and promoters contribution, are offered by financial institutions and subsidies are granted by the Government to projects being set up in specified backward areas. The present norms for assistance are based on prudent commercial principles and takes into account the optimum use of the available resources.

(c) No Sir.

(d) Does not arise.

Loss claims of Bhiwandi Traders

1489. SHRI K. MOHANAN:
SHRI NIRMAL CHATTERJEE:

Will the Minister of FINANCE be pleased to state:

(a) whether the various insurance companies have since assessed the loss claims of Bhiwandi traders and business houses on their properties in the wake of recent disturbances there; and

(b) if so, what are the details in this regard?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b). A total number of 421 claims for a total amount of Rs. 3.53 crores have been reported to the 4 subsidiaries of the General Insurance Corporation of India (GIC) on account of losses to Bhiwandi traders and business houses in May 1984. The insurance companies have appointed independent surveyors for surveying and assessing the claims. 55 claims for a total amount of Rs. 59.56 lakhs have already been settled. G. I. C. has advised the 4 insurance companies to follow up with surveyors for speedy assessment of claims, to process the claims expeditiously and to consider on-account payments where liability is admitted, pending actual assessment of the claims.

Production of Polyesterised Cloth by the NTC

1490. SHRI K. MOHANAN:
SHRI NIRMAL CHATTERJEE:

Will the Minister of COMMERCE be pleased to state:

(a) whether Government have rejected the proposal made by the National Textile Corporation to increase four-fold output of polyesterised cloth; and

(b) if so, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND IN THE DEPARTMENT OF SUPPLY (SHRI NIHAR RANJAN LASKAR): (a) There is no such proposal from the National Textile Corporation.

(b) Does not arise.